

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 345 - HB 461

February 22, 2021

SUMMARY OF BILL: Extends, from June 30, 2021, to June 30, 2022, the *Ground Ambulance Service Provider Assessment Act*.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$10,690,200/FY21-22/
Ambulance Service Assessment Revenue Fund**

**Increase State Expenditures - \$10,690,200/FY21-22/
Ambulance Service Assessment Revenue Fund**

**Increase Federal Expenditures - \$20,951,800/FY21-22/
Ambulance Service Assessment Revenue Fund**

Revenue recognition in the amount of \$10,690,200 is included in the Governor's proposed budget (page A-34) for FY21-22. Corresponding nonrecurring appropriations in the amount of \$31,642,000 (\$10,690,200 in state funds and \$20,951,800 in federal matching funds) are also included.

Assumptions:

- Based on information provided by the Division of TennCare (Division), the coverage assessment on ambulance services will result in a one-time increase in state revenue to the Ambulance Service Assessment Revenue Fund (ASARF) of \$10,690,181 for FY21-22.
- It is estimated \$77,500 will be expended at a state rate of approximately 50 percent and will receive federal matching funds at a rate estimated to be 50 percent. The resulting increase in federal funds will be approximately \$77,500 $[(\$77,500 / 50.0\%) \times 50.0\%]$.
- It is estimated \$10,612,681 $(\$10,690,181 - \$77,500)$ will be expended at a state rate of approximately 33.705 percent and will receive federal matching funds at a rate estimated to be 66.295 percent. The resulting increase in federal funds will be approximately \$20,874,282 $[(\$10,612,681 / 33.705\%) \times 66.295\%]$.
- The total increase in federal funds will be \$20,951,782 $(\$20,874,282 + \$77,500)$ in FY21-22.
- The total increase to the ASARF will be approximately \$31,641,963 $(\$10,690,181 \text{ state} + \$20,951,782 \text{ federal})$ in FY21-22.

IMPACT TO COMMERCE:

Increase Business Revenue – \$31,642,000/FY21-22

Increase Business Expenditures – \$31,642,000/FY21-22

Jobs Impact – Not Significant

Assumptions:

- Ambulance providers will incur a one-time increase in business revenue of \$31,642,000 to cover costs of ground ambulance transport occurring in FY21-22.
- Ambulance service providers will incur a corresponding one-time increase in business expenditures of \$31,642,000 in FY21-22.
- The proposed legislation will not increase the number of ambulance service providers. It just extends the Act until June 30, 2022; therefore, any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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